

Salient Process Leverages Business Process Management to Help a Fortune 100 Warehouse Retailer Digitally Transform and Automate Its Global Procurement Process

2000% 
INCREASE

Number of items being purchased globally

200 to 1 
DECREASE

Global buying processes

***\$54M**
Savings per year

The Client

A Fortune 100 Warehouse Retailer

Business Challenge

This Warehouse Retailer's procurement process was done via spreadsheets, phone, and email. Because of this, there was a high amount of re-work, a lack of visibility, difficulty in training new employees, and missed compliance steps. All these issues were costing the retailer a great deal of money and missed opportunities.

The Solution

Salient Process led the implementation of a global procurement process leveraging IBM Business Process Manager.

"Best system our IT department has built in 15 years."

- Assistant General Manager
Procurement

"Until we had this single process where we have total visibility into procuring an item, we were actually bidding against our co-workers in other countries. With the process visibility of this solution, we're now collectively bidding our purchase price down instead of competitively bidding the purchase price up."

- Vice President
IT

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An Unwieldy Process

The items you see in this giant retailer's warehouse are sourced from all over the world. The Buyers have a great deal of flexibility and responsibility to choose items that are appealing to the market. However, their process for purchasing these items had become unwieldy. It reached a point where the Buyers were [spending more time administering and manually completing the process](#) than focusing on finding great items.

Until this retailer worked with Salient to improve their procurement process, it was done by a mix of email, spreadsheets, phone calls, and a legacy mainframe system. It literally took a stack of papers inches high to get an item for their warehouse approved and

Salient Results

At Salient, our purpose is to enable organizations for higher level thinking. Whenever it makes a process more effective, we always aim to [automate and optimize](#) so mundane tasks can be avoided and higher level thinking activities are focused on. By [standardizing on one business process and leveraging IBM BPM as the overarching controller of this process](#), the buyers were able to remove mundane repetitive tasks from their daily work, and focus on what they do best: buy great stuff.

The results speak for themselves. The client expanded the number of items being purchased globally by 2000%, increased their buying power to the tune of \$54M in savings per year*, reduced the number of global buying processes from over 200 down to 1, and decreased the average number of contacts a supplier needed to interact with by 92%.

The IBM BPM solution Salient delivered introduced

ordered from a supplier. This created some painful compliance problems. It also created a situation in which the Buyers, who are core differentiators when they can mostly focus on buying, were [spending too much time on paperwork, compliance, and email](#) - and not enough time on strategizing purchases.

As a global company, each country has its own buyers. Previously, each country's set of buyers had their own process and might be completely unaware they were buying the same items as their counterpart in another country. In fact, they were sometimes [bidding against their own](#) company because a buyer from two separate countries had no idea the competition was themselves. In effect, they had met the enemy, and it was their own co-workers.

much greater [transparency and visibility](#) for the client's procurement process.

One benefit of this increase in visibility is the client's disparate global buying teams are now able to act as one unit and leverage greatly increased purchasing power. An example of this is a simple item they purchase regularly. They were able to decrease the cost of this item by one penny per single item because of the consolidated purchasing power they now have. Their increased buying power on just this one item saves them \$416K per year. This type of global buying power across all the items they buy extrapolates to saving \$54M* per year.

The business process management solution Salient and the client implemented has caused a large [reduction in the number of individual contacts](#) a supplier has to work with to enable an item to be purchased by the client. In some cases, this had been



as many as 51 different individual contacts due to the process being spreadsheet, phone, paper, and email based. Now there are a total of 5 different contacts any supplier needs to interact with, and the IBM BPM process seamlessly directs the Supplier to the [right person, with the right data, and at the right time](#). The Supplier doesn't have to worry about who they need to interact with at each step of the process.

The benefits for this retailer do not stop with the powerful and ROI generating changes made to their process. Salient has enabled their team to carry the IBM BPM torch, so we are no longer needed there. Salient helped them standup a [full IBM BPM Center of Excellence through strategic guidance, Boot Camps for their employees, and overall mentoring](#). At Salient, we like to say our job is to get fired for the best possible reason, which is the client is now mature enough in our methodologies to move forward without us. [Our job here is done.](#)

*\$54M is an extrapolation and expected savings. Results will vary depending on the overall market and the number of worldwide buyers who choose to participate in buying an item.